

Dingell, Pallone React to Trustees Report, Urge Renewed Effort to Strengthen Medicare Committee to

The Social Security and Medicare Trustees have confirmed today that the Medicare program remains an important source of health care coverage for millions of seniors.

NEWS RELEASE
Committee on Energy and Commerce

Rep. John D. Dingell, Chairman

For Immediate Release: March 25, 2008

Contact: Jodi Seth or Brin Frazier, 202-225-5735

Dingell, Pallone React to Trustees Report, Urge Renewed Effort to Strengthen Medicare

Washington, D.C. — The Social Security and Medicare Trustees have confirmed today that the Medicare program remains an important source of health care coverage for millions of seniors. While the Trustees report that the program will be solvent well into the future, ensuring its continued sustainability will require Congress to address current inefficiencies.

"Today's report confirms that Medicare is a viable — and vital — source of health care for American's seniors. However, it's clear that we must address the program's solvency issues before it's too late," said John D. Dingell (D-MI), Chairman of the Committee on Energy and Commerce. "With high budget deficits and a slow-down in economic growth, strengthening Medicare is a critically important investment. Preventing overpayments to inefficient managed care plans — not supporting the President's arbitrary 'trigger' proposal — is the best way to protect Medicare and ensure it continues to help millions of Americans."

The Medicare Program is the second-largest social insurance program in the U.S., with more than 43 million beneficiaries and total expenditures of \$432 billion in 2007. The Trustees note that expenditures are expected to increase steadily, raising serious concerns about the Medicare's financial outlook. The non-partisan Medicare Payment Advisory Commission (MedPAC) has reported that the program pays 13 percent more for every beneficiary who enrolls in a managed care plan than it would if that same beneficiary were to remain in traditional Medicare.

"The Trustees Report shows that while Medicare remains a stable source of health care coverage for beneficiaries, the program is confronted with financial challenges in the future," said Pallone. "The Trustee's report rightly concludes that now is the time for 'prompt, effective and decisive action' to address these challenges. Last year House Democrats sought to improve Medicare's financial footing by eliminating inefficient overpayments to Medicare Advantage plans, moving the program away from the currently flawed physician payment system and making a number of other improvements. Unfortunately, the President and his allies in Congress opposed these commonsense reforms. We will continue to press for these changes so that Medicare remains a dependable and affordable source of health care for millions of Americans."

The Boards of Trustees for Medicare report annually to the Congress on the financial operations and actuarial status of the program. Beginning in 2002, there is one combined report discussing both the Hospital Insurance program (Medicare Part A) and the Supplementary Medical Insurance program (Medicare Part B and Prescription Drug Coverage). The Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS) prepares the report under the direction of the Boards.

[Read the report »](#)

-30-

Prepared by the Committee on Energy and Commerce

2125 Rayburn House Office Building, Washington, DC 20515

